

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:						
Company	Rusty Netz Environmental Coordinator					
OGM	Karl Houskeeper Environmental Scientist III	_				

Inspection Report

Permit Number:	C0070035
Inspection Type:	COMPLETE
Inspection Date:	Thursday, March 20, 2008
Start Date/Time:	3/20/2008 12:00:00 PM
End Date/Time:	3/20/2008 4:00:00 PM
Last Inspection:	Thursday, February 21, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear & Windy, Temp. 55 Deg. F.

InspectionID Report Number: 1594

Accepted by: jhelfric OK

4/14/2008

Permitee: SUNNYSIDE COGENERATION ASSOCIATES
Operator: SUNNYSIDE COGENERATION ASSOCIATES

Site: SUNNYSIDE REFUSE & SLURRY

Address: ONE POWER PLANT RD, PO BOX 159 SUNNYSIDE UT 84539

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

	Total Permitted		
202.00	Total Disturbed		
	Phase I		
	Phase II		
	Phase III		

Mineral Ownership Types of Operations

☐ Federal	Underground
State	☐ Surface
☐ County	☐ Loadout
✓ Fee	Processing
Other	V Panyagasing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

Inspector's Signature:

Karl Houskeeper, Environmental Scientist III

Date

Thursday, March 20, 2008

tan nouskeeper, Environmental Scientist

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070035 Inspection Type: COMPLETE

Inspection Date: Thursday, March 20, 2008

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
- b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark		✓	
2.	Signs and Markers	✓		V	
3.	Topsoil	V			
4.a	Hydrologic Balance: Diversions	V		V	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	V			
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations	V		~	
5.	Explosives	V	✓		
6.	Disposal of Excess Spoil, Fills, Benches	V		✓	
7.	Coal Mine Waste, Refuse Piles, Impoundments	V		✓	
8.	Noncoal Waste	V			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V			
10.		V			
11.	Contemporaneous Reclamation	✓			
12.	Backfilling And Grading	✓			
13.	Revegetation	✓			
14.	Subsidence Control	V			
15.	Cessation of Operations	✓			
16.a	Roads: Construction, Maintenance, Surfacing	V			
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities	✓			
18.	Support Facilities, Utility Installations	V			
19.	AVS Check	✓			
20.	Air Quality Permit	V		<u> </u>	
21.	Bonding and Insurance	V		✓	
22.	Other	V			

Permit Number: C0070035 Inspection Type: COMPLETE

Inspection Date: Thursday, March 20, 2008

Page 3 of 4

1. Permits, Change, Transfer, Renewal, Sale

The following permits were reviewed:

- -Mining permit C/007/035 issued February 3, 2003 and expires February 4, 2008.
- -UPDES permit #UT0024759 effective August 1, 2007and expires midnight July 31, 2012.
- -Air Quality Permit DAQO-702038-02 issued November 1, 2002, remains in effect.
- -SPCC plan is only applicable to plant site which is not within the permit area.
- -Certificate of Insurance effective 08/01/2007 and terminates 08/01/2008.
- -Reclamation agreement is dated December 1996 and signed by both parties.

2. Signs and Markers

The mine ID sign is located adjacent to the tipple on a light pole. The MSHA Refuse Pile sign was also checked during the inspection and contained the required information.

4.a Hydrologic Balance: Diversions

The culvert inlet by the feeder area is partially plugged and is need of maintenance. Several fuel stockpiles have now been placed adjecent to diversions and the material is blocking the diversions from functioning as designed. Surface crews were notified during the inspection to ensure that the diversions were returned to there design standard.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected on October 26, 2007. The report (January 18, 2008) is P.E. dated stamped and signed by a registered P.E. in the State of Utah.

4.d Hydrologic Balance: Water Monitoring

Third and fourth quarter 2007 water monitoring information is in the EDI website, but have not been uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The January 2008 discharge monitoring reports were reviewed. No discharges occurred.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil #1 & #2 were inspected on October 26, 2007. The inspections were certified by a P.E.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected on October 26, 2007 and certified by a registered P.E. in the State of Utah. The pile appeared stable with no visible hazards.

Inspection Continuation Sheet

Permit Number: C0070035 Inspection Type: COMPLETE

Inspection Date: Thursday, March 20, 2008

Page 4 of 4

20. Air Quality Permit

DAQO-702038-02 issued November 1, 2002, remains in effect. Air Quality Permit DAQE-691-99 issued August 13, 1999 was replaced by DAQO-702038-02. The permit was modified to allow the usage of a diesel generator on the power plant site. The Air Quality Permit covers both the power plant and mine site. The power plant site is not regulated by DOGM.

21. Bonding and Insurance

A Pledge and Escrow agreement dated January 4, 2002 is in place. The escrow agency is Wells Fargo for SCA. SCA has invested \$1,780,250.19 in federally guaranteed Treasury Notes as of December 31, 2006. The required bond amount is \$1,720,000.